



**Report to the Legislature**

**FY 2002 Supplemental Budget  
Administrative Reductions for FY 2003**

Chapter 371, Laws of 2002, Section 211(5)

December 1, 2002

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# **FISCAL YEAR 2002 SUPPLEMENTAL BUDGET**

## **ADMINISTRATIVE REDUCTIONS FOR FISCAL YEAR 2003**

### **Introduction**

This report is provided to the Washington State Legislature as required under Chapter 371, Laws of 2002 (ESSB 6387a), Section 211(5), which reads:

“The department shall implement reductions in administrative expenditures assumed in these appropriations that achieve ongoing savings, reduce duplicative and redundant work processes, and, where possible, eliminate entire administrative functions and offices. The department may transfer among sections and programs to achieve these savings provided that reductions in direct services to clients and recipients of the department shall not be counted as administrative reductions. The department shall report to the appropriate committees of the Legislature a spending plan to achieve these reductions by July 1, 2002, and shall report actual achieved administrative savings and projected saving for the remainder of the biennium by December 1, 2002.”

Administrative reductions totaling \$10,490,000 (\$7,050,000 General Fund-State (GF-S)) were placed in the Department of Social and Health Services (DSHS) Program 110, Administration and Supporting Services, portion of the department's budget in two separate budget steps:

1. **IT Systems Streamlining - \$2,503,000 (\$1,503,000 GF-S).** This step was intended to achieve savings through reduced utilization of information services and also through reduced prices and economies of scale for IT equipment purchased in bulk for several programs.
2. **Administrative Reductions - \$7,987,000 (\$5,547,000 GF-S).** This is a more general administrative cut, with the department given the flexibility to make reductions either in central administration or to administrative functions in the programs. In accordance with instructions in the budget notes and proviso language from the budget bill, reductions will not be made to direct services for clients and recipients.

An earlier report, submitted in July 2002, laid out general plans for how the administrative reduction was to be divided across the agency, but at the time, specific plans for how the administrative reductions were to be implemented were still being developed. This follow-up report provides more detail on how reductions distributed across the agency have been implemented, with updated estimates of savings that will be achieved by the end of Fiscal Year 2003. These savings assumptions are also carried forward in the base of the department's 2003-05 Biennial Budget.

## Implementing the Reductions

The intent of the Legislature was to absorb as much of the entire budgeted reductions as reasonably possible in DSHS central administration (or Program 110, Administration and Supporting Services) before distributing the remainder to the rest of the department. Program 110 provides infrastructure services to all DSHS programs, including budget and accounting functions, personnel, facilities management, purchasing, research and data analysis, fraud investigations, and other internal functions. With a \$53 million budget in Fiscal Year 2003 (\$28.7 million GF-S), Administration and Supporting Services represents less than one percent of the entire department's budget. To take the entire administrative reduction here would have entailed a 20 percent reduction in this area.

Of the \$1,503,000 GF-S assumed in the *IT Systems Streamlining* step, \$1,000,000 was intended as savings from bulk purchasing of equipment. However, because of separate equipment reductions allocated to the department as part of the 2002 Supplemental Budget, the volume of equipment purchases planned for Fiscal Year 2003, and subsequently the assumed savings, will not be as great as this step assumed. The savings from bulk purchasing is estimated to be around \$388,000 GF-S in Fiscal Year 2003. The remainder had to be taken in the form of other types of administrative reductions, and was distributed accordingly.

Program 110 took a \$3,043,000 (\$2,553,000 GF-S) reduction in its Fiscal Year 2003 allotments. This meant staff reductions and service cuts in areas such as the Office of the Secretary, Budget, Accounting, Legislative Relations, Communications, Facility Management, Research and Data Analysis, Human Resources, Access and Equal Opportunity, and Fraud Investigations. To meet the reduction goals, some functions in these offices were eliminated, and many vacancies will remain unfilled. Travel and equipment restrictions begun in Fiscal Year 2002 are continued.

The following tables shows how the General Fund-State from the combination of the *IT Systems Streamlining* and *Administrative Reduction* steps was divided among the department's administrations. The size of each program's headquarters budget was used as the basis for its share of the total reductions, however programs had the option to make reductions in regional administration if possible. Although \$3,440,000 of federal funds was assumed in these two steps, the total funds impact for each program was much higher with actual implementation, based on the nature of cuts each program opted for and how "other funds" applied within those programs.

Following is how the GF-S reduction was originally allotted across the department:

<u>Program</u>	<u>GF-S Allotment</u>
010 Children's Administration	\$56,094
020 Juvenile Rehabilitation	\$90,471
030 Mental Health	\$194,486
040 Developmental Disabilities	\$222,025
050 Aging and Adult Services	\$410,507
060 Economic Services	\$1,821,768
070 Alcohol and Substance Abuse	\$455,413
080 Medical Assistance	\$1,200,316
100 Vocational Rehabilitation	\$46,482
110 Administrative Services	\$2,552,438
<b>Total</b>	<b>\$7,050,000</b>

Note: Children's Administration's share of the cut is small relative to this program's size. It had a separate administrative reduction step in its own budget of \$1,010,000 (\$737,000 GF-S) that was taken into account when distributing the Administrative Reductions and IT Streamlining budget steps. This cut is being taken in travel, equipment, and training in Children's Administration headquarters and regional administration.

Following are the estimates of Fiscal Year 2003 savings, with the total funds impact of these reductions:

<u>Program</u>	<u>GF-S Savings</u>	<u>Total Savings</u>
010 Children's Administration	\$56,000	\$74,000
020 Juvenile Rehabilitation	\$90,000	\$94,000
030 Mental Health	\$187,000	\$258,000
040 Developmental Disabilities	\$222,000	\$331,000
050 Aging and Adult Services	\$402,000	\$552,300
060 Economic Services	\$1,821,769	\$3,778,735
070 Alcohol and Substance Abuse	\$455,000	\$467,000
080 Medical Assistance	\$1,216,691	\$3,116,672
100 Vocational Rehabilitation	\$47,023	\$220,036
110 Administrative Services	\$2,553,607	\$4,512,607
<b>Total</b>	<b>\$7,051,090</b>	<b>\$13,404,350</b>

The total staff savings across the department for this level of reductions is estimated to be 160.6 Full-Time Employees (FTEs). The staff reduction assumed in the budget was only 42.5 FTEs.

The details of these reductions can be found in Appendix A, which identifies the reductions taken in Administration and Supporting Services. Appendix B identifies the reductions taken in the rest of the department.



# **APPENDIX A - FISCAL YEAR 2003 BUDGET REDUCTIONS TO ADMINISTRATION AND SUPPORTING SERVICES (PROGRAM 110)**

Division	FY 2003 Reduction			Impact
	FTEs	Total	State	
Executive Management	(1.5)	(155,197)	(87,298)	<b>1. Staff Transfers and Leave Without Pay</b>  1.5 FTEs will be transferred out of the division. In addition, certain staff will take Leave With Out Pay (LWOP) to reduce the impact of the administrative reduction.
	0.0	(90,000)	(50,625)	<b>2. Other Items</b> The division will no longer fund a number of optional items: ACCT - \$50,000, AWARD Web Site - \$8,500, Family Policy Council - \$18,000, and window washing - \$13,500.
	0.0	(57,158)	(32,152)	<b>3. Reduce Equipment and Goods and Services</b> A Goods and Services reduction, Bulk Purchasing reduction and Administration reduction ISSD share TZ.
	Sub-Total	(1.5)	(302,355)	(170,075)
Legislative Relations	0.0	(41,048)	(23,089)	<b>1. Reduce Goods and Services</b>
Communications	(0.5)	(31,080)	(17,482)	<b>1. Reduce Staff</b> Eliminated funding for 0.5 FTE.

Division	FY 2003 Reduction			Impact
	FTEs	Total	State	
	0.0	(20,724)	(11,657)	<b>2. Eliminate Regional Advisory Committees</b> Eliminated funding for Regional Advisory Committee meetings, including room rentals, supplies, and printing.
	0.0	(35,196)	(19,798)	<b>3. Stop Printing the News Connection</b> Discontinued monthly multi-page and hard copy newsletter, saving printing and postage costs.
Sub-Total	(0.5)	(87,000)	(48,937)	
<b>Budget</b>	(2.0)	(130,044)	(73,150)	<b>1. Reduce Budget Staff</b> Reduced one analyst position that covered two DSHS programs. These programs were redistributed as additional assignments to two other analysts. The second position was in the operations support section of the Budget Office. Duties were similarly redistributed among three remaining analysts in that section.
	0.0	(93,236)	(52,445)	<b>2. Reduce DP Services</b>
	0.0	(34,029)	(19,141)	<b>3. Reduce Purchase of Goods and Services and Equipment</b>
Sub-Total	(2.0)	(257,309)	(144,736)	
<b>WCPCAN</b>	0.0	(35,000)	(35,000)	<b>1. Reduce Goods and Services, Equipment and Travel</b> Made cuts only in state funded areas, while protecting community-based programs.

Division	FY 2003 Reduction			Impact
	FTEs	Total	State	
Finance	(2.0)	(126,483)	(71,142)	<b>1. Eliminate OAS staff</b> The Office of Accounting Services (OAS) has delayed Special project work, reduced efforts towards document imaging and quality control, reduced grant management analysis, general ledger analysis and general financial management activities.
	(5.0)	(225,169)	(126,649)	<b>2. Eliminate Disbursements Unit</b> Bill paying functions were transferred to other DSHS programs.
	(2.5)	(96,000)	(53,996)	<b>3. Mail Room/Cash Unit Efficiencies</b> OAS eliminated 2.5 staff from the Mail Room and Cash Unit. Workload was redistributed to remaining staff. These changes also resulted in mail being delivered twice per day, as opposed to hourly, reduced efforts towards document imaging and quality control, report distribution delays, and the elimination of other clerical tasks.
	(1.0)	(52,284)	(29,408)	<b>4. Eliminate Inventory Support for Institutions</b> Initially, Finance proposed eliminating the PMX function, but the programs directly benefiting from the services objected to eliminating this staff position. Therefore, the Consumable Inventory Purchasing Management (PMX-2) staff position was transferred from Finance to the Juvenile Rehabilitation Administration (JRA), Mental Health Division (MHD) and the Division of Developmental Disabilities (DDD) programs. Effective September 1, 2002, JRA, MHD and DDD pay for the PMX-2 staff position.
	(5.0)	(235,826)	(132,643)	<b>5. Reduce Office of Financial Recovery Staff</b> The Office of Financial Recovery eliminated 5.0 FTEs that performed claims, revenue recovery, collection and accounting functions. Moved staff to higher revenue recovery programs.



Division	FY 2003 Reduction			Impact
	FTEs	Total	State	
	(2.0)	(243,677)	(137,059)	<b>6. FRIP Project and Reduce Information Technology Staff</b> The first phase of the integrated Cost Allocation System (CAS), for the Financial Reporting Improvement Project (FRIP), was completed May 17, 2002, ahead of schedule. Cost Allocation Integration control and responsibility was transferred from DSHS to OFM. Information technology staff positions previously supporting the DSHS CAS and Financial Reporting Systems were eliminated.
	(6.2)	(469,221)	(263,918)	<b>7. Eliminate Vacant Positions</b> Eliminates 6.2 vacant FTEs in the Office of Accounting Services, the Office of Financial Recovery and the Information Technology Office.
	0.0	(144,000)	(80,994)	<b>8. Reduce Fiscal Year 2003 Children's Trust Account System Contract</b> Additional functionality and enhancements to the Foster Care Trust Fund system have been postponed.
	0.0	(100,000)	(56,246)	<b>9. Reduce Postage Costs</b> Payroll statements are distributed twice a month using first class mail as opposed to priority mail.
	0.0	682,661	383,973	<b>10. Realign Object E and Bulk Purchasing Reduction</b>
Sub-Total	(23.7)	(1,009,999)	(568,082)	
<b>Fraud Investigations</b>	(5.2)	(305,253)	(171,704)	<b>1. Continued Savings from Fiscal Year 2002</b> The division expended below its budgeted funds and FTEs in Fiscal Year 2002. To achieve the required reduction in Fiscal Year 2003, it will be necessary to maintain this under-expenditure and save an additional \$84,000 GF-S.

Division	FY 2003 Reduction			Impact
	FTEs	Total	State	
				Attaining that savings may reduce the ability to achieve cost avoidance by an estimated \$1.4 million per year. For the department, the diminished fraud control may be reflected most immediately in the food stamp error rate. The Fraud Early Detection (FRED) program is an important part of the department's efforts to correct the recent high error rates. Any curtailment of FRED investigations may increase that error rate. The department would then be subject to additional sanctions from the federal government. In addition, the department's ability to scrutinize the childcare area will be diminished.
	(1.5)	(69,000)	(38,813)	<b>2. Reduction in Force</b> Additional staff reductions. See note above for impact.
	0.0	(80,613)	(45,345)	<b>3. Lynnwood Lease</b> A tenant has been found for a leased facility in Lynnwood.
Sub-Total	(6.7)	(454,866)	(255,862)	
<b>Indian Policy and Support Services</b>	0.0	(24,000)	(13,500)	<b>1. IPSS Reduction Efficiencies</b>  The proposed cuts will limit the ability of IPSS to provide DSHS Administrative Policy 7.01 training, taught statewide to DSHS staff, tribal governments, and federal employees to create and enhance better working relationships and communications between these entities. Reduction in the purchase of equipment and supplies will limit IPSS training opportunities. Travel funding has been reduced to the IPSS advisory committee, limiting its future activity, and to regional staff for its training.

Division	FY 2003 Reduction			Impact
	FTEs	Total	State	
Lands & Buildings	0.0	(99,026)	(55,702)	<b>1. Transfer Staff to Capital Programs, Bulk Equipment Purchases</b> Accomplish reduction through cost sharing with Program 900, increased revenue generation by property management, and tight cost management of division operations.
Research & Data Analysis	(1.0)	(61,175)	(34,411)	<b>1. Eliminate Blue Book and Flash Report</b>  RDA will no longer be able to support the Blue Book and Flash Report production and distribution. RDA will have a reduced capacity to answer ad hoc questions about Economic Services and Medical Assistance caseloads and costs, and general questions from the public about DSHS services. RDA will no longer produce Diversity Reports.
	(0.5)	(25,336)	(14,252)	<b>2. Reduce Data Finding for CSDB</b> Data finding (to organize and understand service and expenditure information from programs) for the Client Services Data Base (CSDB) will be reduced, eliminating production of monthly/quarterly client counts, service counts, and expenditure output from the CSDB. This will also impact projects that may have benefited from the monthly/quarterly output.
	0.0	(153,415)	(86,295)	<b>3. Other Reductions – Including Rent, Printing, DIS Charges, Bulk Purchasing</b> Reduce DIS computer usage charges of \$71,000, with the remainder being a rent reduction for unused space in Seattle. The reduction in computer usage will limit the ability to perform ad hoc projects for the department and other customers. The lease reduction will have no effect.
	Sub-Total	(1.5)	(87,000)	(48,937)

Division	FY 2003 Reduction			Impact
	FTEs	Total	State	
Administrative Services	(6.9)	(446,725)	(251,283)	<b>1. Reduce the Board of Appeals</b>  Eliminate Board of Appeals (BOA) review of public assistance entitlement programs and child support initial decisions made by the Office of Administrative Hearings. With the remaining staff, the BOA will continue to provide secretary level reviews of licensing decisions and CAPTA hearings.
	(6.0)	(368,616)	(207,347)	<b>2. Eliminate LIST Contract Monitoring and In-House Translations</b> This proposal will reduce the quality of translations and interpretative services to Limited English Proficient clients, which may in turn affect their ability to access department services.
	(1.0)	(70,368)	(39,582)	<b>3. Eliminate Security Consultant Function</b> Because security is a local administrative matter, this unique position serves in an advisory capacity only. During the last year, this person generated a DSHS Security Guide that can assist local management to assess and address their security needs. As a result, this position's elimination should have minimal impact.
	(1.0)	(82,415)	(46,358)	<b>4. Eliminate Manager in Centralized Operations</b> Eliminate one manager position in Centralized Operations.
	(2.0)	(128,388)	(72,215)	<b>5. Eliminate Other Staff</b> Eliminate one supervisory position in the TRACKS unit and one current vacancy in the RPAU unit. The supervisory position is a working supervisor and its elimination will shift those supervisory duties to another working supervisor, consequently removing the working duties of the remaining supervisor.

Division	FY 2003 Reduction			Impact
	FTEs	Total	State	
				All non-supervisory duties of the two individuals will be assigned to other ASD staff or to the field.
Sub-Total	(16.9)	(1,096,512)	(616,785)	
<b>Human Resources</b>	(16.0)	(709,566)	(399,131)	<b>1. HRD Reduction</b> Includes the following reductions: Human Resource Operations by 2.0 FTEs, Classification and Compensation by 1.5 FTEs, Risk Management by 6.5 FTEs, and the Office of Professional and Organizational Development by 3.0 FTEs. In spite of these reductions, essential services will continue through reorganization, implementation of efficiencies, and workload redistribution.
<b>Access &amp; Equal Opportunity</b>	(4.2)	(156,000)	(87,750)	<b>1. Reduce Equal Opportunity Functions</b>  DAEO has eliminated its regional office in Spokane. In addition, one department-wide recruiter position has been eliminated.
<b>TOTAL OF PROGRAM 110 REDUCTIONS</b>	<b>(73.0)</b>	<b>(4,512,607)</b>	<b>(2,553,607)</b>	

## APPENDIX B - FISCAL YEAR 2003 ADMINISTRATIVE REDUCTIONS IN DSHS

Program	FY 2003 Reduction			Impact
	FTEs	Total	State	
010 Children's	0.0	(55,012)	(37,012)	<b>1. Reduce Headquarters Equipment Purchases</b>
	0.0	(18,988)	(18,988)	<b>2. Reduce Use of Data Processing Services</b> Reduces the chargeback rate from ISSD.
	010 Total	(74,000)	(56,000)	
020 Juvenile Rehabilitation	0.0	(77,000)	(77,000)	<b>1. Equipment Reduction</b>  Reduce the purchase of IT equipment in JRA institutions.
	0.0	(3,000)	(3,000)	<b>2. Reduce Use of Data Processing Services</b> While not a large reduction, there is strain on existing resources as the development of the Client Activity Tracking System (CATS) has actually multiplied the number of users of automated systems with the corresponding impact on data processing services.
	0.0	(14,000)	(10,000)	<b>3. Other Reductions</b> Reduction of regional goods and services, as well as the administration share in the reduction of a part-time Regional Coordinating Council position in Region 1.
	020 Total	(94,000)	(90,000)	

Program	FY 2003 Reduction			Impact
	FTEs	Total	State	
030 Mental Health	(3.2)	(142,000)	(142,000)	<b>1. Consolidated Support Services</b> CSS supports both Eastern State Hospital and Lakeland School. This cut includes \$85,000 to salaries, \$31,000 for benefits, and \$26,000 for equipment, resulting in less efficient service for maintenance and laundry.
	0.0	(24,000)	(13,000)	<b>2. Headquarters Equipment</b> Reduce purchase of equipment in central headquarters.
	0.0	(32,000)	(32,000)	<b>3. Hospital Reimbursement Group Equipment</b> Reduce purchase of equipment by the Hospital Reimbursement Group located in central headquarters and the state hospitals.
	0.0	(60,000)	0	<b>4. Federal Allotment Reduction</b> The division's share of the administrative reduction assumed federal share reductions as well. The actual reductions implemented above were in areas that minimized loss of federal funds, however the assumed federal reduction still had to be accounted for in the official allotment. This will have no effect. If the division over-earns its federal, it may require an unanticipated receipt.
030 Total	(3.2)	(258,000)	(187,000)	
040 Developmental Disabilities	(3.2)	(142,000)	(111,000)	<b>1. Consolidated Support Services</b>
				Similar to the CSS cut in Mental Health, this cut affects the frequency of maintenance projects and work orders at Lakeland Village.

Program	FY 2003 Reduction			Impact
	FTEs	Total	State	
	0.0	(173,591)	(97,975)	<b>2. IT Bulk Purchasing</b> Achieve savings through reduced prices and economies of scale with an agency-wide bulk purchasing of IT equipment by the Information Services Support Division (ISSD).
	0.0	(8,784)	(6,400)	<b>3. Eliminate Regional Coordinating Council Staff</b> Reduction of the division's share of a part-time Regional Coordinating Council position.
	0.0	(6,625)	(6,625)	<b>4. Reduce Use of Data Processing Services</b> Reduces the chargeback rate from ISSD.
040 Total	(3.2)	(331,000)	(222,000)	
<b>050 Aging &amp; Adult Services</b>	(5.0)	(161,196)	(110,629)	<b>1. Vacant Positions</b>  Several positions in Management Services Division will be held vacant when incumbents leave. Some full-time positions have been reduced to part time.
	0.0	(20,550)	(15,000)	<b>2. Convert to Cable Hookup</b> Computer connection in outlying offices was changed from dial-up to cable.
	0.0	(12,330)	(9,000)	<b>3. Eliminate 1-800 Listing</b> AASA eliminated all but one 1-800 listing in statewide telephone directories.
	0.0	(8,588)	(8,588)	<b>4. Reduce Use of Data Processing Services</b> Reduces the chargeback rate from ISSD.



Program	FY 2003 Reduction			Impact
	FTEs	Total	State	
	(2.0)	(171,895)	(121,743)	<b>5. Eliminate RCS Staff</b> Two quality improvement consultant positions in the Residential Care Services Division have been eliminated. Ongoing savings of \$121,743 GF-S and \$121,743 federal.
	0.0	(4,247)	(3,100)	<b>6. Cancel Annual Conference</b> The annual conference for RCS surveyors was cancelled.
	0.0	(75,350)	(55,000)	<b>7. Cancel DVA Contract</b> A contract with the Department of Veterans Affairs was cancelled. This contract involved processing of federal benefits for veterans. Ongoing savings of \$55,000 GF-S and \$55,000 federal.
	0.0	(34,440)	(34,440)	<b>8. Maximize Federal Match</b> The cost allocation plan was reviewed and services were identified that could be matched by federal funds.
	0.0	(8,904)	(4,500)	<b>9. Cancel Annual Meeting</b> The annual Home and Community Services (HCS) managers' meeting was cancelled.
	0.0	(54,800)	(40,000)	<b>10. Reduce Equipment Budget</b> The budget for equipment purchases in each region was reduced.
050 Total	(7.0)	(552,300)	(402,000)	

Program	FY 2003 Reduction			Impact
	FTEs	Total	State	
060 Economic Services	(26.9)	(2,524,573)	(1,143,623)	<b>1. Reductions in ESA Program Support</b>  Staff eliminations and unfilled vacancies. Also includes reductions in equipment, purchased goods and services, and travel in ESA program support activities.
	(10.3)	(1,254,162)	(678,146)	<b>2. Reductions in ESA Regional Administration</b> Staff eliminations and unfilled vacancies. Also includes reductions in equipment, purchased goods and services, and travel in ESA regional administration.
	060 Total	(37.2)	(3,778,735)	(1,821,769)
070 Alcohol & Substance Abuse	(1.0)	(50,000)	(50,000)	<b>1. Transfers from Headquarters to Client Service Positions</b>  DASA established regional teams made up of treatment, prevention, certification, and the regional administrators to 1) enhance communications and the understanding of local issues with counties, Tribes, providers, and clients; and 2) build stronger ownership in the prevention-intervention-treatment and after-care continuum with a local focus.
	(1.0)	(88,000)	(88,000)	<b>2. Reassigning Essential Functions</b> DASA consolidated internal operating functions among its executive management staff and eliminated one exempt office chief position. This also transferred supervision for about 20 staff to other managers and created a more streamlined organization. DASA also committed to letting go of some business functions and limiting its presence on administrative-type activities in favor of added emphasis on its client-related endeavors. The savings of 1 FTE will be sustained in future biennia.

Program	FY 2003 Reduction			Impact
	FTEs	Total	State	
	(1.0)	N/A	N/A	<b>3. Eliminate Economic Research Manager</b> Under a federal grant from the Center of Substance Abuse Treatment, DASA employed an economic research manager to direct research studies on the economic impacts of publicly funded chemical dependency treatment and to determine the cost offsets to public systems. With the end of the federal funding, DASA eliminated this position rather than absorb it with state funding. This represents an FTE only “savings” from a federal grant that expired. The FTE savings will continue into future biennia.
	(4.0)	(152,000)	(152,000)	<b>4. Re-focus on Core Functions</b> DASA is placing greater emphasis on its core functions aligned with client services and contract management. Approximately 95 percent of DASA’s funding is spent on client services contracts. DASA has simplified and strengthened its contract terms, built in more tools for contract monitoring, and provided staff with training to enhance contract performance. This resulted in savings of 2.0 FTEs. DASA also reduced training provided for service providers and staff travel while retaining training that concentrates on best practices intended to improve client services and client retention in treatment. Travel has been restricted to essential business, which includes contract monitoring, agency certification, and complaint investigations, resulting in savings of 1.0 FTE. DASA eliminated 1.0 FTE who served as a liaison between the Department of General Administration and its own contractor who leases space for the privately operated involuntary treatment program in a building on the grounds of the former Northern State Hospital property. Services previously provided by this position are now being managed directly between the contractor and GA. Total savings of 4.0 FTEs will be sustained into future biennia.

Program	FY 2003 Reduction			Impact
	FTEs	Total	State	
	(3.0)	(140,000)	(140,000)	<b>5. Effective Use of Technology</b> DASA transitioned its client service database, called TARGET, from a terminal batching input format to a web-based, real-time system, reducing 1.0 FTE while also improving access to the system for our service providers. The Legislature authorized DSHS to implement a brokering system for interpreter services that DASA is using to streamline the process for client authorizations, saving 1.0 FTE. Another FTE was saved through the combined efficiencies in a number of technologies, including increased use of the DASA web-page to post notices and information and rather than bulk mailings, use of conference calls to reduce travel, standardizing the use of electronic calendaring, and other e-business applications for all staff. This savings will carry forward into future biennia.
	0.0	(37,000)	(25,000)	<b>6. IT Systems Streamlining</b> This is a department-wide step, and intended to achieve savings through reduced utilization of information services and also through reduced prices and economies of scale for IT equipment purchased in bulk for several programs.
070 Total	(10.0)	(467,000)	(455,000)	
<b>080 Medical Assistance</b>	(15.0)	(61,175)	(238,232)	<b>1. Reduce Staff through Reduction-in-Force or Retirement</b>  Staff reductions were made in the following divisions: 1.0 FTE in the Office of the Assistant Secretary (OAS); 4.0 FTE in the Division of Business and Finance (DBF); 3.0 FTE in the Division of Medical Management (DMM); 5.0 FTE in the Division of Provider Services (DPS); 2.0 FTE in the Division of Policy and Analysis (DPA).

Program	FY 2003 Reduction			Impact
	FTEs	Total	State	
	0.0	(67,000)	(32,970)	<b>2. Eliminate Lease</b> Through DBF staff consolidation, space was no longer required and lease was ended.
	(10.0)	(827,011)	(413,506)	<b>3. Transfer MEDS Unit to Economic Services</b> The MEDS Unit supported eligibility determination for children and pregnant women, and will be reduced by an estimated 20 positions by January 2003, at which time the Economic Services Administration will take direction of the MEDS personnel as part of its own eligibility activities.
	(1.0)	(240,358)	(128,486)	<b>4. Reductions in the Division of Client Support</b> Assign existing staff to utilization and cost containment duties; move staff to part time; reduce contract amount.
	0.0	(246,000)	(61,500)	<b>5. Renegotiate OMPRO Contract</b> Eliminate items not required by rule or law.
	0.0	(350,000)	(126,974)	<b>6. Reorganize Claims Processing</b> Reduce hours of operation with staff savings in Division of Provider Services.
	0.0	(225,000)	(56,250)	<b>7. Reduce ACS Contract</b> Eliminate activities being duplicated by HWT.
	0.0	(283,000)	(89,000)	<b>8. Fund PRP With Program Savings</b> Use savings generated by the Payment Review Program to pay for its staff costs.

Program	FY 2003 Reduction			Impact
	FTEs	Total	State	
	0.0	(216,286)	(69,775)	<b>9. IT Bulk Purchasing</b> Achieve savings through reduced prices and economies of scale with an agency-wide bulk purchasing of IT equipment by the Information Services Support Division (ISSD).
Sub-Total	(26.0)	(3,116,672)	(1,216,691)	
<b>100 Vocational Rehabilitation</b>	(1.0)	(155,036)	(33,023)	<b>1. DVR Staff Reorganization</b>  DVR reduced its regional management staff by 13 positions. This included six regional administrator positions and seven assistant regional administrators (two of these in Region 4, one each in the other regions). These positions, along with the Chief of Field Services were restructured into two Chiefs of Field Services (east and west), each with a Deputy Chief of Field Services; one special assistant and two corporate consultant positions now assist the DVR director. This reorganization allowed DVR to convert six management positions into front line counselors in order to increase the number of clients served.
	0.0	(65,000)	(14,000)	<b>2. IT Bulk Purchasing</b> Achieve savings through reduced prices and economies of scale with an agency-wide bulk purchasing of IT equipment by the Information Services Support Division (ISSD).
Sub-Total	(1.0)	(220,036)	(47,023)	
<b>GRAND TOTAL PROGRAM REDUCTIONS</b>	<b>(87.6)</b>	<b>(8,891,743)</b>	<b>(4,497,483)</b>	